



St...e of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA
Division Director

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: Sept 2 2005 FAX#: 1-801-768-2684	
FAX#: 1-801-768-2684	
ATTN: Kim	
COMPANY: Worthen Williams	
NUMBER OF PAGES (INCLUDING THIS ONE):	4
FROM: Jaille	
We are sending from a sharp facsimile machine. Our t	elecopier number is (801) 359-3940.
MESSAGES: Kim - This is	the now 2002 letter
MESSAGES: Kim - This is	a response on.

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TRANSACTION REPORT

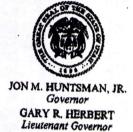
SEP-02-2005 FRI 10:32 AM

FOR: OIL, GAS & MINING 801 359 3940

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State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

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TTN: Kim			
COMPANY: Wary		ams	
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ROM: Jaille			
If you do not receive all o	of the pages, or if the arp facsimile machine	y are illegible, please ca c. Our telecopier numbe	ll (801) 538-5340. or is (801) 359-3940



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

November 14, 2002

CERTIFIED RETURN RECEIPT 7099 3400 0016 8895 4746

Dennis Williams Worthen/Williams LLC. Utah Refractories Corporation 2200 North 1100 West Lehi, Utah 84043

Re: <u>Five-Year Review of Reclamation Surety Estimate, Worthen/Williams LLC, Roudabush</u> #1 Mine, M/045/027, Tooele County, Utah

Dear Mr. Williams:

Thank you for providing the requested information regarding the five-year review status of your Roudabush #1 Mine, located in Tooele County, Utah. The last surety estimate for this mine was \$72,500 in 1999 dollars. After a review of the information furnished by Worthen/Williams LLC and a site visit to verify the site conditions, we find we only need to escalate the present bond for a five-year period. This is based upon the fact that there had been no changes at the site since the last bond calculation.

The surety for the Roudabush #1 Mine escalated to the year 2007 is \$97,800. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than January 13, 2003.



Page 2 Robert Worthen M/045/027 November 14, 2002

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

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Attachment: Surety estimate update cc: Doug Jensen, DOGM

O:\M045-Tooele\M045027-Roudabush\Final\bondescal.doc

SURETY ESTIMATE UPDATE

Worthen/Williams LLC

FILE # M/045/027 Roudabush Mine Prepared by Utah Division of Oil, Gas & Mining

Tooele County Last Update

1999

13-Nov-02

DESCRIPTION:

- -Previous reclamation surety estimate was \$72,500 in year 1999 dollars
- -Reclamation Estimate base amount calculated in 1994-\$

Reclamation Plan Details

- -Bench highwall; ASSUME: 20 ft wide bench every 25 ft, 600 lf, 3 benches total
- -Rip all compacted areas to be revegetated
- -Distribute fines over quarry floor; fines estimated at 7% annual production
- -Restore channel & riprap; ASSUME 500 lf, 6" of riprap
- -Spread existing topsoil stockpiles (estimated volume = 300 cy)
- -Revegetation = fertilizing, mulching & seeding (previous estimate was \$468/acre)
- -Fertilizer = diammonium Phosphate @ 200 lbs/acre
- -Mulch = hay mulch @ 2 tons/acre
- -Mobilization (third party reclamation)
- -Disturbed area = Present quarry (2.3)+ future quarry (18.9) + stockpile area (4.4) + staging area (2.2) staging area (2.2) + corase stockpile (0.3) + access road (0.9)
- -Escalation factors through 2002 are actual Means Historical Cost Indices
- -Total disturbed area =

29 ACRES

CALCULATIONS		ESCAL	BOND
F = P(1 + i)**n	YR	FACTOR	AMOUNT
1 -1 (1 - 1)	1991	0.0127	\$0.00
	1992	0.0221	\$0.00
	1993	0.0261	\$0.00
	1994	0.0321	\$67,547.00
	1995	0.0193	\$68,850.66
F = Future Sum	1996	0.0242	\$70,516.84
P = Present Sum	1997	0.0236	\$72,181.04
i = Escalation Factor	1998	0.0502	\$75,804.53
n = number of periods	1999	0.0191	\$77,252.40
II - Humber of periods	2000	0.0244	\$79,137.35
Three Yr Average = 2.82%	2001	0.0460	\$82,777.67
Used to Project 5 Yrs	2002	0.0282	\$85,112.00
From the Year 2002	2003	0.0282	\$87,512.16
Trom the real zeez	2004	0.0282	\$89,980.00
	2005	0.0282	\$92,517.44
	2006	0.0282	\$95,126.43
	2007	0.0282	\$97,809.00
Updated Surety Amount Round	led (2007-\$)		\$97,800.00
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^{**} Average cost per acre =

3373 (\$/ACRE)